5/17/88

A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 4 APRIL 1988

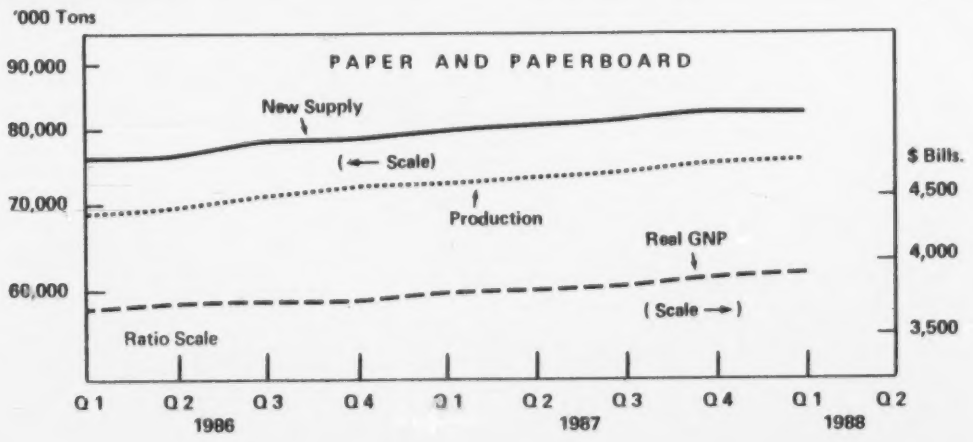
NEW HIGHS IN PAPER AND PAPERBOARD PRODUCTION

Spurred by continued growth in total economic activity, paper and paperboard production moved to new highs in the first quarter of 1988. The total output of paper and paperboard mills reached an record 6,730,000 tons in March 1988, the highest monthly total ever achieved by this industry.

The chart at the bottom of this page summarizes the recent trends, highlighting the strong growth in production and new supply of total paper and paperboard together with the growth in total economic activity as measured by the real gross national product (Real GNP).

The gains were well distributed between paper and paper board. Total paper and paperboard production in the first quarter of 1988, at a seasonally-adjusted rate of nearly 77 million tons per year, was 5.3% ahead of its year-ago seasonally-adjusted rate, with paper up 5.9%, paperboard, 4.6%.

Paper: The growth leaders in paper production continue to be newsprint and printing and writing papers. U.S. newspapers used newsprint at the rate of 13.7 short tons per year in the first quarter of 1988, holding close to the trend established during the last six months of 1987, but exceeding the year-ago rate by 3.3%.



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Shipments of coated papers soared 15% above their year-ago level in the first quarter of 1988, paced by major increases in demand at magazine and other publishers. Commercial printers, who had been the mainstay of the robust demand for these papers in 1987, continued to show strong increases in their appetites for coated papers.

Commercial printers also used more uncoated free sheet papers in the first quarter of 1988. A special report tracing some of the longer terms forces affecting commercial printing activity is included at the end of this issue.

Demand for uncoated free sheet papers by the other major users -- business forms, office copy and paper and book publishing increased at a relatively moderate rate.

Paperboard: Consumers also demanded record quantities of paperboard packaging materials in the first quarter of 1988. Containerboard grew the most. First quarter shipments of fiber boxes were 6.1% ahead of their year-ago level. Production of consumers non-durable goods -- a major market for paperboard packaging material -- rose by 5.3%.

Production of containerboard for domestic use gained 6.3% and production of boxboard for domestic use 2.5% over first quarter year-ago levels.

The U.S paper industry's competitiveness is reflected in strong export demand. Paperboard production for export, at 3.4 million tons per year, showed a strong 15% increase in this period. The increase was largely concentrated in kraft linerboard production for export, which, at 2.6 million tons per year, was 21% above its year-ago total.

SALES AND EARNINGS

The high levels of demand for paper and allied products in the first quarter of 1988 were fully reflected in the sale and earnings total reported by paper and paper related companies for that period.

Data on 25 companies reported in the press showed sales gains of 21% from year-ago levels for the first quarter of 1988, while their after-tax earnings rose 72%. These increases brought the ratio of after-tax earnings of sales to a historically-high 7.6%, compared to 5.4% in the year-earlier period. Similar data for four lumber and wood products companies with major paper and/or paperboard capacity indicated a 14.4% increase in sales and a 26.4% increase in earnings.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

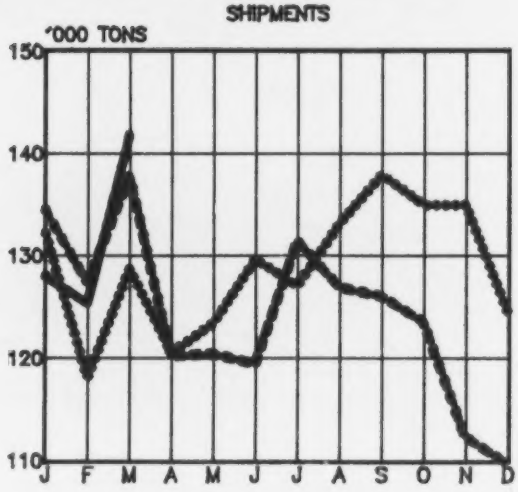
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	DECEMBER 1987 (P)	JANUARY 1988 (P)	FEBRUARY 1988 (P)	MARCH 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	499	499	479	510	5,950	5.8
- Shipments	5,638	5,854	508	482	479	505	5,866	4.7
Printing & Writing Sum	19,625	20,795	1,782	1,826	1,759	1,942	22,104	9.9
Groundwood Paper - Shipments	1,540	1,491	111	128	125	142	1,582	-0.7
- New Orders	1,553	1,548	130	133	134	134	1,603	-1.6
-Unfilled Orders	124	181	181	177	193	193	193	61.1
Coated Papers - Shipments	6,263	6,860	588	635	593	653	7,522	14.9
- New Orders	6,334	7,098	611	624	584	644	7,406	14.9
- Unfilled Orders	469	734	734	693	690	717	717	58.8
Unctd Free Sheet - Shipments	10,410	10,980	959	944	918	1,019	11,522	9.6
- New Orders	10,485	11,192	978	945	915	1,031	11,565	10.6
- Unfilled Orders	587	777	777	733	747	808	808	52.3
Thin Papers - Shipments	271	251	23	19	24	19	249	-4.6
Cotton Fiber Paper - Shipments	152	162	12	13	14	15	169	1.9
Bleached Bristols - Production RS	990	1,051	89	86	85	94	1,059	3.0
Tissue Paper - Production	5,095	5,301	449	446	437	474	5,428	4.3
Total Packaging & Other Paper	5,117	5,068	432	440	435	454	5,316	0.2
Unbl. Kraft Paper - Shipments	3,303	3,075	261	262	255	262	3,118	-4.3
Other Paper - Production	1,814	1,993	171	177	180	192	2,198	7.3
TOTAL PAPER-Production-Unadj.	35,466	37,005	3,163	3,209	3,110	3,380	38,797	7.0
-Production-S.A.			3,176	3,192	3,208	3,224	38,497	5.9
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,900	2,474	2,501	2,391	2,576	29,872	5.9
Total Unbl. Kraft Paperboard	17,689	18,888	1,644	1,637	1,566	1,696	19,595	8.4
Unbl. Kraft Linerboard (1)	16,402	17,608	1,518	1,527	1,465	1,575	18,269	8.6
Production for Export	2,246	2,268	217	205	218	225	2,591	21.0
Other Unbl. Kraft Paperboard	1,287	1,281	126	110	101	121	1,326	5.4
Semichemical Paperboard	5,376	5,606	449	488	454	492	5,739	1.6
Production for Export	213	186	12	10	11	15	144	-25.0
Solid Bleached Paperboard	4,271	4,406	382	376	370	388	4,537	1.6
Production for Export	569	564	47	49	51	53	610	-0.2
Recycled Paperboard	8,083	8,594	710	749	718	774	8,965	5.8
Production for Export	70	60	6	4	8	7	78	157.9
TOTAL PAPERBOARD-Prod.-Unadj.	35,419	37,493	3,184	3,251	3,108	3,349	38,831	5.9
- Containerboard Prod.(Dom. Use)	21,426	23,026	1,922	1,999	1,889	2,038	23,702	6.3
- Boxboard Prod.(Dom. Use) (2)	5,903	6,178	523	538	512	543	6,372	2.5
- All Other P'bd Prod.(D.U.) (2)	4,992	5,210	457	446	427	468	5,364	3.2
- Total Paperbd Prod. for Export	3,097	3,079	282	268	287	301	3,423	15.1
TOTAL PAPERBOARD PROD.- S.A.			3,190	3,194	3,196	3,197	38,350	4.6
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,885	74,498	6,347	6,460	6,218	6,730	77,628	6.5
Production - S.A.			6,366	6,387	6,404	6,421	76,847	5.3

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd. RS - Revised Series after 1986.

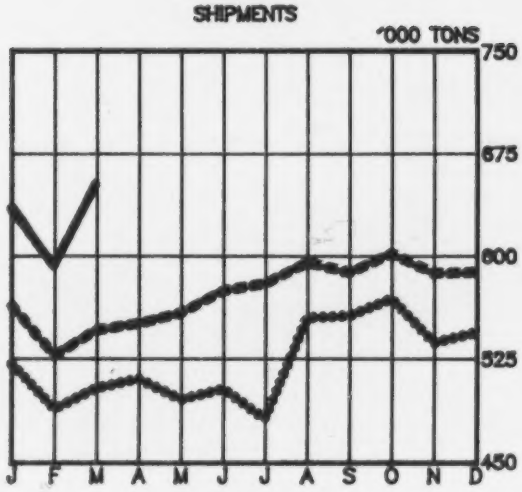
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



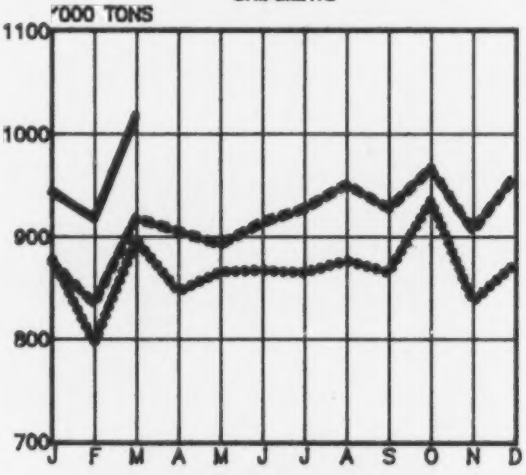
COATED PAPER

SHIPMENTS



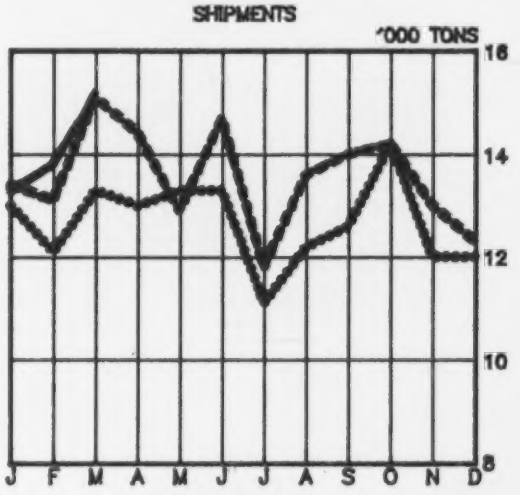
UNCOATED FREE SHEET PAPERS

SHIPMENTS



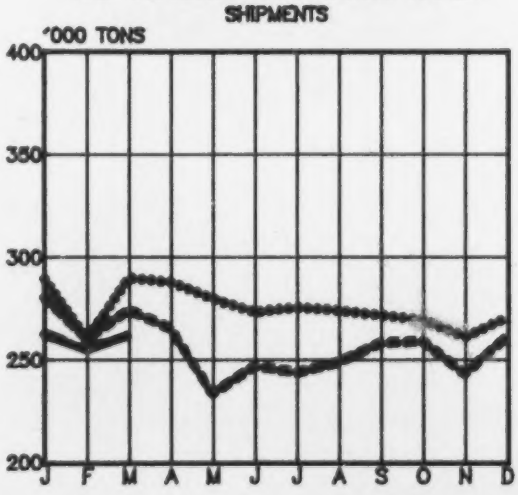
COTTON FIBER PAPER

SHIPMENTS



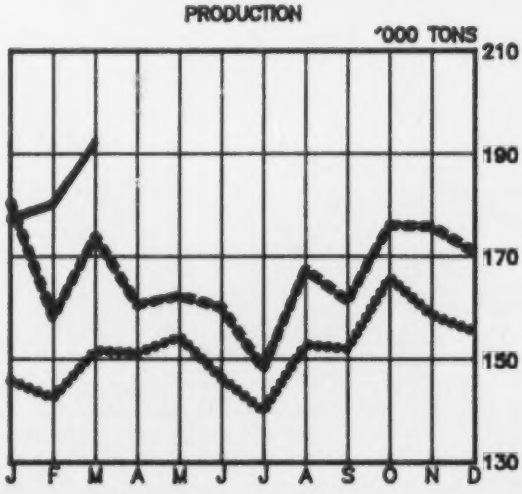
UNBLEACHED KRAFT PACKAGING
AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ••••••• 1987 ▬▬▬ 1988 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1986	YEAR 1987	NOVEMBER 1987	DECEMBER 1987	JANUARY 1988	FEBRUARY 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57,017	59,564	4,812	5,160	5,276	4,920	61,175	5.4
- Imports	4,582	4,850	401	415	390	429	4,912	-1.8
- Exports	4,458	4,889	365	527	391	444	5,009	23.1
- New Supply	57,140	59,525	4,848	5,048	5,276	4,904	61,079	3.6
Dissolving Pulp - Production	1,258	1,312	137	109	98	116	1,288	3.9
- Imports	255	198	9	9	20	21	246	34.1
- Exports	711	752	61	72	67	41	651	-8.7
- New Supply	801	757	85	45	52	95	883	24.2
Paper Grades - Production	46,981	48,293	3,851	4,227	4,285	3,981	49,600	5.5
Chemical Pulp - Imports	4,220	4,456	376	378	353	374	4,366	-7.5
- Exports	3,689	4,111	301	449	322	401	4,337	29.6
- New Supply	46,612	48,637	3,925	4,156	4,316	3,955	49,628	2.6
Groundwood and - Production	5,487	5,714	472	484	517	472	5,936	6.9
Thermo-Mech. - Imports	108	197	17	28	16	34	301	201.7
- Exports	59	26	3	5	1	2	21	101.3
- New Supply	5,536	5,885	486	507	532	504	6,216	10.1
Semi-Chemical - Production	4,191	4,246	352	339	376	350	4,352	3.4
- Imports								
- Exports								
- New Supply	4,191	4,246	352	339	376	350	4,352	3.4
MARKET WOOD PULP								
Total Market - Production	7,514	8,128	670	723	722	687	8,458	11.7
Wood Pulp - Imports	3,122	3,235	268	293	272	289	3,363	17.2
- Exports	4,470	4,820	317	531	363	400	4,577	16.5
- New Supply	6,166	6,543	613	485	631	576	7,244	11.2
Dissolving Pulp - Production	1,234	1,308	137	109	98	116	1,288	4.8
- Imports	212	154	8	8	19	19	227	59.3
- Exports	718	775	47	88	57	45	619	-4.8
- New Supply	728	687	99	29	61	90	905	23.8
Paper Grades - Production	6,264	6,806	532	613	623	570	7,153	13.9
Chemical Pulp - Imports	2,831	2,975	246	272	245	246	2,946	9.5
- Exports	3,752	4,045	270	443	306	355	3,967	20.6
- New Supply	5,343	5,736	508	442	562	460	6,132	7.9
Groundwood Pulp - Production	16	14	1	1	2	1	17	26.1
and All Other - Imports	79	106	6	14	8	24	199	434.9
- Exports	0	0	0	0	0	0	1	0.0
- New Supply	96	120	7	15	9	26	207	319.9

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

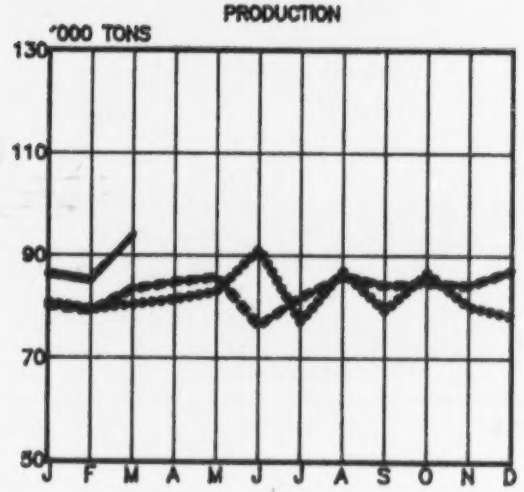
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,308	77,836	6,372	6,608	6,798	6,431	79,374	4.6
Total Wood Pulp	57,072	59,488	4,819	5,119	5,231	4,926	60,944	4.4
Waste Paper	17,236	18,348	1,553	1,489	1,567	1,504	18,430	5.4
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	162	170	162	165	165	-16.9
Producers' Market Inventories	284	224	290	224	292	265	265	-21.6
Consumers' Purchased Inventories ♦	496	529	499	529	508	503	503	0.4
Waste Paper at Paper & Bd. Mills	838	887	817	887	847	847	847	9.3
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	15	12	15	13	13	-31.6

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. ♦ Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

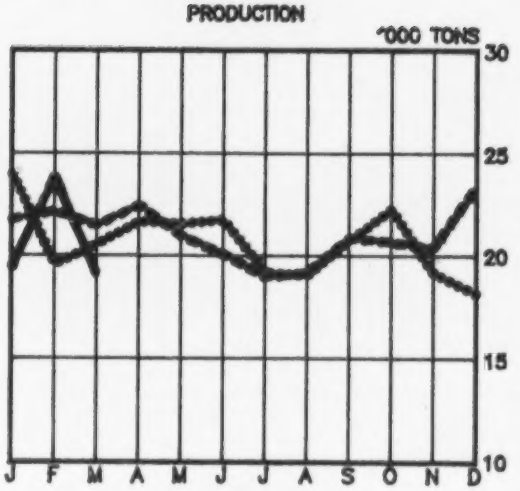
BLEACHED BRISTOLS

PRODUCTION



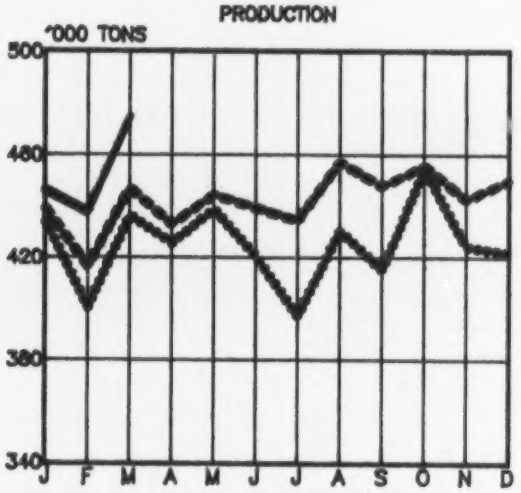
THIN PAPER

PRODUCTION



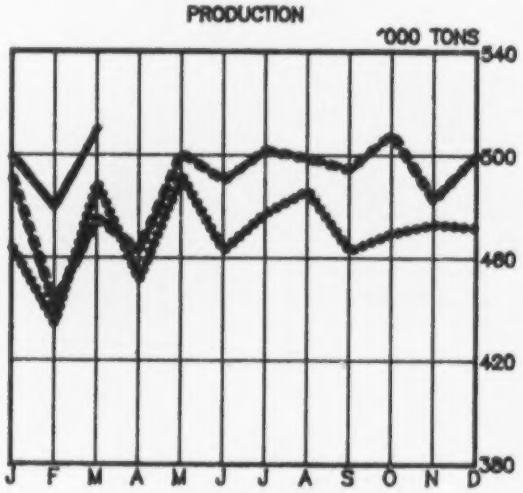
TISSUE PAPER

PRODUCTION



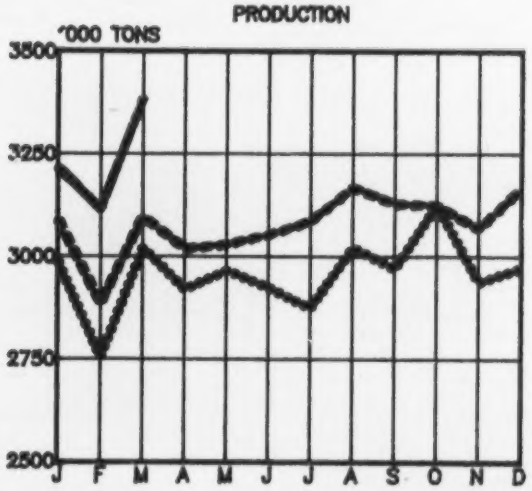
NEWSPRINT

PRODUCTION



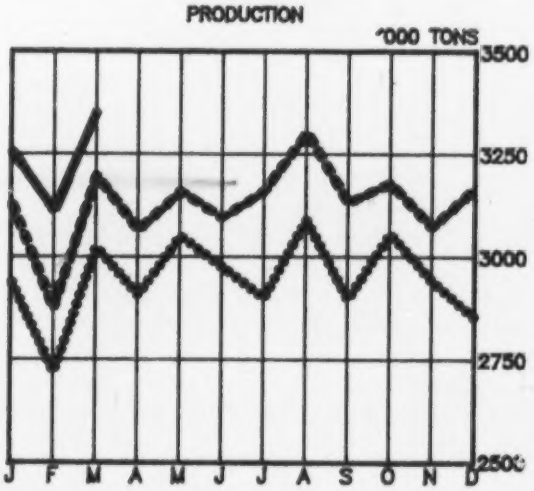
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 1987 1988

F I B R O U S R A W M A T E R I A L S
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	NOVEMBER 1987	DECEMBER 1987	JANUARY 1988	FEBRUARY 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	98,943	94,312	7,227	8,083	7,737	7,924	93,966	-0.7
	- Total Consumpt	91,434	93,946	7,401	8,162	8,223	7,743	95,796	2.4
	- Residues *	32,755	32,899	2,649	2,702	2,585	2,756	32,046	-0.9
	- Inventories	4,794	5,096	5,211	5,096	4,629	4,777	4,777	-2.5
So. Atlantic	- Total Receipts	29,513	31,147	2,462	2,660	2,554	2,561	30,698	3.2
	- Total Consumpt	29,425	30,915	2,466	2,692	2,684	2,521	31,230	3.2
	- Residues *	9,343	9,553	820	820	818	837	9,882	8.6
	- Inventories	994	1,211	1,248	1,211	1,825	1,870	1,870	25.8
Northeast	- Total Receipts	7,277	6,941	513	598	687	686	7,278	-18.1
	- Total Consumpt	7,227	7,189	559	578	644	582	7,356	-4.1
	- Residues *	1,419	1,543	126	131	118	129	1,482	-13.9
	- Inventories	484	594	587	594	598	647	647	19.4
South Central	- Total Receipts	31,798	33,658	2,564	2,968	2,637	2,771	32,448	-1.3
	- Total Consumpt	32,113	33,859	2,582	2,996	2,818	2,742	33,368	2.5
	- Residues *	9,792	9,992	771	884	745	836	9,486	-6.6
	- Inventories	926	1,294	1,317	1,294	1,866	1,885	1,885	19.2
North Central	- Total Receipts	6,571	6,552	487	573	675	666	8,046	1.5
	- Total Consumpt	6,738	6,764	563	560	652	557	7,254	7.5
	- Residues *	1,842	1,263	117	152	167	97	1,584	61.8
	- Inventories	892	838	815	838	873	989	989	-13.9
West	- Total Receipts	15,792	16,822	1,281	1,284	1,264	1,328	15,584	-2.8
	- Total Consumpt	15,939	16,899	1,231	1,336	1,425	1,341	16,596	1.8
	- Residues *	11,159	10,548	815	795	745	857	9,612	-7.4
	- Inventories	1,498	1,167	1,324	1,167	1,867	986	986	-31.7

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 28-Apr-88

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	JANUARY 1988 Tons	JANUARY 1988 ($000)	FEBRUARY 1988 Tons	FEBRUARY 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	1,501	159	3,276	412	28,662	1662.7
Pulpwood chips	487,147	15,258	74,678	2,865	69,483	1,928	864,486	246.8
Wood Pulp, Total	4,328,114	1,842,819	345,944	165,197	362,375	176,727	4,249,914	-9.9
Waste Fibrous Materials, Total	186,286	36,423	19,584	4,294	19,864	4,538	236,218	48.1
Paper, Board & Products, Total	10,588,847	5,893,983	886,959	468,213	858,766	462,997	10,426,351	-1.4
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	875,718	448,883	837,116	438,609	10,277,982	-1.4
Paper, Paperboard & Products	10,365,412	5,827,943	870,630	455,385	837,504	458,694	10,248,808	-0.9
Paper & Paperboard, Only	10,218,838	4,779,702	859,389	435,975	823,854	434,307	10,099,459	-0.9
Paper, Total	9,961,198	4,698,148	836,335	428,143	801,988	426,771	9,829,937	-1.1
Newsprint	8,588,389	3,956,147	708,669	354,393	675,292	350,325	8,383,766	-4.5
Printing, Writing & Rel. Pap.	1,111,641	601,978	101,539	59,814	102,720	62,334	1,225,553	27.4
Pack. & Ind. Conv. Paper	215,514	102,986	22,338	10,849	18,986	9,049	242,868	8.1
Special Industrial Paper	5,478	9,844	241	487	541	942	4,691	-31.4
Tissue Paper	40,257	27,194	3,549	2,688	5,429	4,120	53,868	66.3
Paperboard, Total	257,239	81,554	23,054	7,832	21,866	7,536	269,522	4.6
Convtd Paper&Paperbd Products	146,575	248,241	11,241	19,411	13,650	24,388	149,348	8.3
Wet Machine Board	2,898	1,977	274	189	238	163	3,071	13.2
Construction Paper & Board	219,744	63,983	16,954	4,638	13,824	4,139	174,472	-22.5

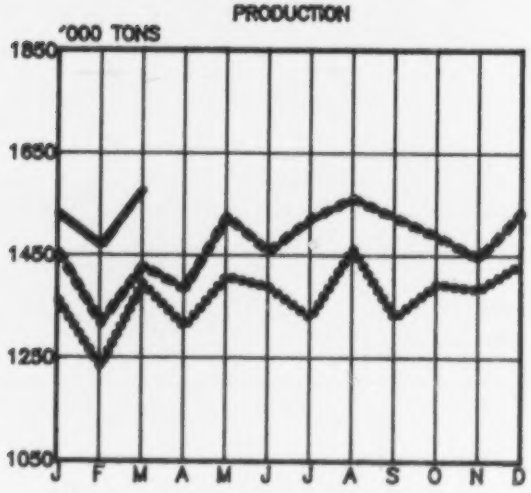
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	778	351	16	325	20	4,856	-37.4
Pulpwood chips	61,575	4,814	778	36	3,710	243	26,928	-72.4
Wood Pulp, Total	198,921	75,956	28,771	8,616	18,455	7,751	235,356	36.2
Cotton Pulp & Other Pulp	58,288	14,775	9,893	1,838	7,861	1,985	181,724	183.1
Waste Paper	286,898	38,592	17,798	2,173	23,374	2,592	247,832	13.3
Paper, Board & Products, Total	957,434	598,429	179,386	87,355	91,283	60,143	1,623,529	94.1
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	163,791	78,693	66,765	39,446	1,183,334	111.2
Paper, Paperboard & Products	920,755	581,481	176,798	86,137	87,884	58,687	1,588,890	97.1
Paper & Paperboard, Only	675,815	381,308	161,204	69,475	63,445	37,990	1,347,895	117.9
Paper, Total	297,585	250,887	29,568	22,335	32,775	24,774	374,853	16.9
Newsprint	4,525	3,728	238	230	269	235	3,839	-42.8
Printing, Writing & Rel. Pap.	151,716	125,667	12,381	11,417	14,743	12,697	162,266	18.6
Pack. & Ind. Conv. Paper	25,826	17,841	3,058	1,851	4,458	2,444	45,894	58.9
Special Industrial Paper	110,187	97,388	13,537	8,385	12,838	8,598	158,252	15.7
Tissue Paper	5,411	6,498	434	758	467	799	5,402	98.1
Paperboard, Total	378,230	130,581	131,636	47,141	30,671	13,216	973,843	226.1
Convtd Paper&Paperbd Products	244,940	200,173	15,594	16,662	24,438	20,697	240,195	28.2
Wet Machine Board	10,212	4,828	687	269	748	294	8,559	-27.3
Construction Paper & Board	26,467	12,128	1,901	948	2,579	1,162	26,888	44.3

SOURCE: Bureau of Census, Department of Commerce E - Estimate of tonnage based on square foot data 28-Apr-88

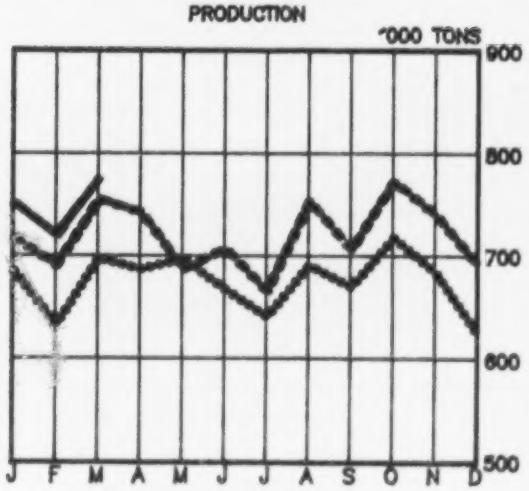
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



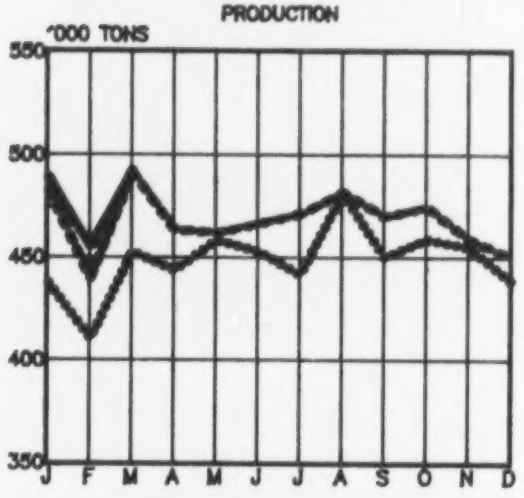
RECYCLED PAPERBOARD

PRODUCTION



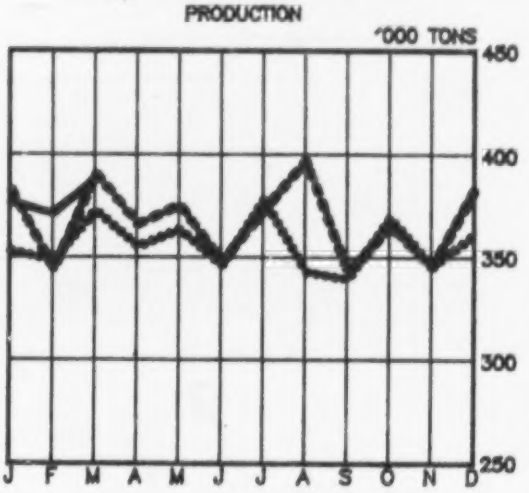
SEMICHEMICAL PAPERBOARD

PRODUCTION



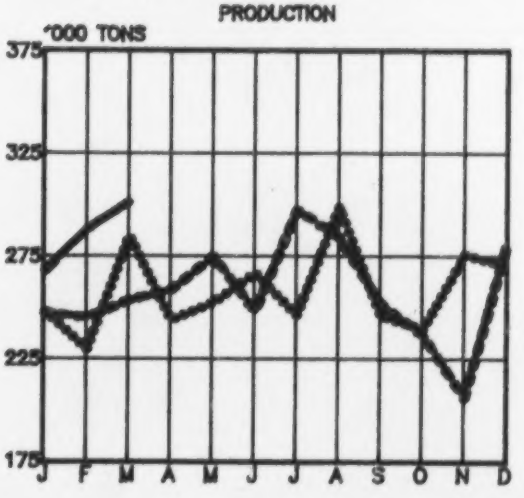
SOLID BLEACHED PAPERBOARD

PRODUCTION



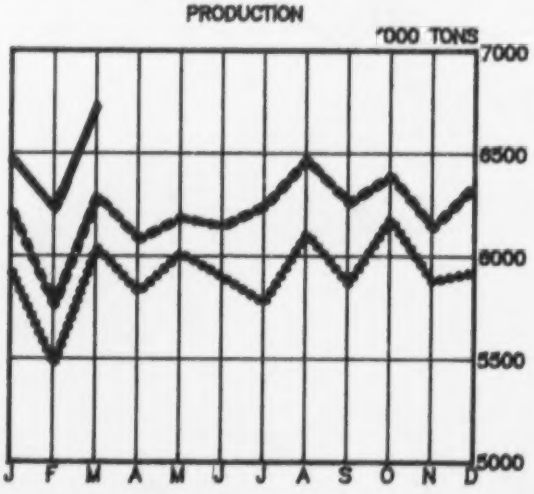
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ••••••• 1987 ▬▬ 1988 ——

I M P O R T S

	YEAR 1987 Tons	YEAR 1987 $000	1987 JANUARY Tons	1987 JANUARY $000	1988 FEBRUARY Tons	1988 FEBRUARY $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
* * * *								
Pulpwood Roundwood (cords)	15,432	1,746	1,501	159	3,276	412	28,662	1508.4
Pulpwood Chips	525,629	15,476	75,171	2,085	70,284	1,948	872,730	248.3
Total All Imports	17,891,172	9,043,600	1,467,238	798,464	1,481,881	838,006	17,694,715	-8.2
Wood Pulp Total	4,858,238	2,869,389	389,927	187,160	428,772	206,496	4,912,194	-1.8
Waste Paper	127,398	19,231	14,592	2,694	15,292	3,051	179,304	82.2
Other Fibrous Materials	76,491	27,287	6,548	2,422	6,873	2,153	75,728	-10.8
Paper Board & Products Total	12,837,046	6,927,693	1,056,171	598,188	1,031,744	626,306	12,527,489	-8.2
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,026,365	529,586	997,802	543,031	12,145,000	8.1
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,033,578	591,355	1,012,291	619,889	12,275,219	9.3
Paper & Paperboard Only	12,126,039	5,896,165	1,003,773	522,754	978,349	536,628	11,892,730	8.5
Paper Total	11,765,288	5,768,783	976,974	513,188	950,822	525,877	11,561,978	1.4
Newsprint	8,986,548	4,121,327	726,837	361,778	697,294	368,628	8,544,786	-4.3
Printing & Writing	2,418,216	1,412,458	214,449	129,998	219,447	142,498	2,603,375	25.7
Uncoated Groundwood	1,269,774	654,767	114,468	57,941	112,691	64,529	1,362,954	38.5
Coated Print.& Impreg. Pap.	674,531	467,865	53,287	41,123	54,186	42,478	643,878	11.9
Uncoated Free Sheet	417,395	249,943	43,568	28,881	46,886	31,884	542,245	37.7
Uncoated Book	218,624	119,775	19,671	11,886	15,611	10,628	211,691	24.7
Writing and Similar Paper	206,771	130,168	23,897	16,195	31,195	21,064	330,554	47.5
Thin (except Cigarette)	47,567	30,831	3,891	2,725	5,807	4,363	53,387	-6.8
Bristols	958	1,852	114	128	38	44	911	-6.8
Total Pkg & Other Paper	318,324	191,628	30,699	18,165	25,842	16,284	334,448	-1.6
Unbleached Kraft Paper	168,428	69,828	15,183	6,786	13,878	6,811	169,521	-3.2
Other Pkg. & Indust. Paper	141,984	121,792	15,516	11,379	11,972	10,193	164,927	8.1
Tissue	58,121	43,299	4,989	3,254	8,239	6,565	79,368	35.9
Paperboard, Total	368,831	127,461	26,799	9,566	28,326	10,743	338,752	-23.4
Test or Containerboard	88,981	29,352	7,528	3,183	6,592	2,888	84,717	-8.6
Semi-Chemical Corrugating	128,636	33,898	12,588	3,481	11,563	3,248	144,428	11.6
Other Paperboard	151,214	64,211	6,763	2,901	10,172	4,614	101,608	-51.6
Convtd Paper&Paperbd Products	481,559	932,571	29,806	68,602	33,943	83,269	382,489	-6.9
Paper Products, Total	368,179	866,121	26,949	63,914	31,478	78,548	350,518	-6.9
Paperboard Products, Total	33,388	66,458	2,857	4,688	2,473	4,722	31,979	-7.4
Wet machine Board	3,463	2,638	296	221	374	319	4,821	29.3
Construction Paper & Board	385,985	96,329	22,296	6,612	19,879	6,893	248,249	-17.9
Notes								
Other: No Weight Avail. ($000)		281,453		13,988		15,537	176,671	-5.8
Total Imports Incl. Other($000)		9,245,853		884,372		853,537	9,947,456	13.2

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	16,178	913	351	16	1,075	53	8,556	-28.7
Pulpwood Chips	2,546,467	188,459	126,596	8,782	268,473	28,687	2,378,414	18.4
Total All Exports	14,797,437	6,987,818	1,327,124	643,554	1,348,116	588,886	16,851,441	22.5
Wood Pulp,Total	4,889,331	2,259,377	398,675	191,818	444,171	228,194	5,889,876	23.1
Cotton Pulp and Other Pulp	182,881	91,365	18,836	8,671	23,589	11,298	254,878	73.5
Waste and Old Paper	4,422,139	553,348	417,137	51,498	414,268	53,958	4,988,438	38.2
Paper, Board & Products,Total	5,383,966	3,183,728	500,476	291,568	466,168	294,646	5,799,865	14.6
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,778	2,288,329	444,256	221,172	401,531	213,635	5,874,721	15.1
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	492,262	287,798	454,575	289,269	5,681,819	14.8
Paper & Paperboard, Only	4,471,418	2,221,187	436,041	217,402	389,938	208,257	4,955,875	15.3
Paper, Total	921,397	776,181	76,479	68,226	98,228	74,014	1,088,243	17.8
Newsprint	339,773	218,893	23,197	17,278	29,611	20,138	316,889	-7.1
Printing & Writing	249,892	242,639	20,187	21,874	23,376	22,903	261,376	27.8
Uncoated Groundwood	55,841	39,758	3,727	3,525	5,743	4,767	56,822	38.1
Clay Coated Paper	188,839	72,145	8,842	6,142	9,589	7,513	105,785	28.8
Uncoated Free Sheet	67,858	99,338	5,848	8,537	5,603	7,872	68,795	23.7
Other Printing & Writing	24,554	31,414	2,570	2,870	2,441	2,752	38,864	32.9
Total Pkg. & Other Paper	294,281	292,659	29,911	26,863	33,168	27,973	378,475	32.2
Unbleached Kraft	89,194	48,758	6,968	3,483	9,953	4,661	101,524	38.7
Other Pkg. & Indust. Paper	205,087	251,901	22,943	22,580	23,215	23,312	276,951	30.9
Tissue	38,332	30,790	3,184	3,812	4,873	2,999	43,543	153.8
Paperboard, Total	3,558,021	1,444,926	359,562	149,176	299,718	134,243	3,955,633	14.7
Solid Wood Pulp	3,218,952	1,321,618	334,844	139,045	278,428	123,167	3,679,626	14.4
Total Linerboard	2,296,633	812,161	162,881	61,560	182,184	68,677	2,869,988	-10.3
Bleached Kraft Linerboard	102,266	46,429	12,852	6,635	14,198	6,591	162,384	277.2
Unbleached Kraft Linerbd	2,194,367	765,731	150,029	54,925	167,985	62,086	1,987,604	-15.8
Other Unbleached Kraft	218,566	78,596	114,768	41,828	33,927	12,367	892,171	369.7
Other Bleached Kraft	647,883	497,923	51,191	33,259	57,995	40,382	655,114	2.8
Semi-Chemical Corrugating	63,951	22,938	6,883	2,398	4,483	1,741	62,434	-20.9
Recycled Paperboard	331,969	123,388	24,719	10,131	21,283	11,876	276,887	18.5
Convtd Paper&Paperbd Products	725,196	823,399	56,221	78,396	64,637	81,811	725,144	11.4
Paper Products, Total	301,282	540,681	23,437	43,883	27,192	52,736	383,776	15.5
Paperboard Products, Total	423,994	282,718	32,783	26,512	37,445	28,275	421,368	8.7
Wet Machine Board	17,328	7,816	953	487	1,853	419	12,832	-48.5
Construction Paper & Board E	98,824	51,485	7,262	3,362	10,541	4,958	106,813	23.3
Notes								
Other: No Weight Avail. ($000)		8,037		521		968	8,932	49.5
Total Exports Incl. Other($000)		6,815,855		544,874		588,974	6,798,292	31.8

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

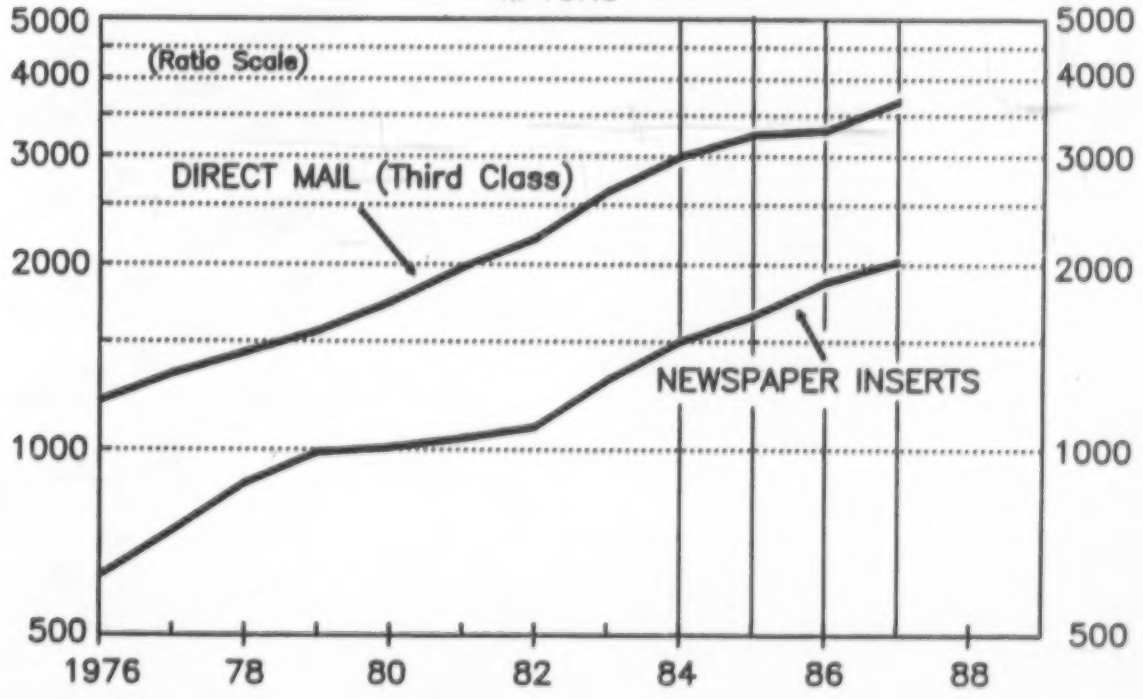
PRODUCER PRICE INDEXES
1982 = 100

	1986	1987	DECEMBER 1987	JANUARY 1988	FEBRUARY 1988	MARCH 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	117.5	118.9	119.6	120.6	119.7	6.8
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	116.3	117.6	118.4	119.4	118.5	6.6
Total Wood Pulp	94.7	111.5	118.4	120.6	127.3	126.3	124.7	17.5
Total Paper	107.8	111.5	114.7	118.1	118.7	119.7	118.8	7.9
Total Paper, exc. Newsprint	107.9	110.6	114.4	118.1	118.6	119.8	118.6	7.5
Newsprint	103.3	112.3	116.6	125.4	126.7	127.8	126.4	16.7
Total Paperboard	106.5	118.1	122.7	122.7	122.8	127.1	124.2	8.8
Total Paper and Paperboard *	106.8	113.6	117.2	119.5	120.9	122.8	120.5	7.9
Converted Products	109.4	114.7	117.1	117.8	118.3	118.9	118.3	4.8
Waste Paper	142.6	101.5	108.8	193.1	189.8	190.5	190.9	13.8
All Commodities	109.2	102.8	104.1	104.5	104.6	104.9	104.7	3.7
Industrial Commodities	109.8	102.6	104.1	104.3	104.4	104.7	104.5	3.7

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

ANNUAL PAPER CONSUMPTION FOR DIRECT MAIL AND NEWSPAPER INSERTS

M TONS



Source: Printing - Writing Paper Division

FIBROUS MATERIALS

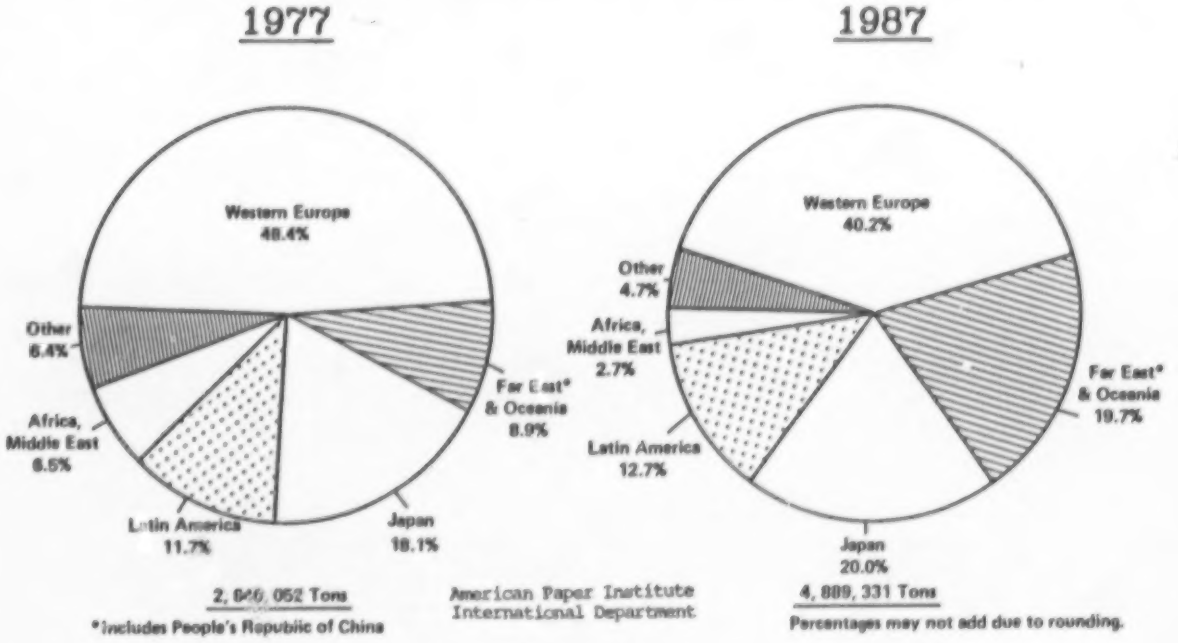
Strong domestic and foreign demand is keeping U.S. market pulp mills operating at full capacity. With March production at 721,000 tons, market pulp output closed the first quarter of 1988 9.3% higher above the year earlier level. Producer's inventories of market pulp changed little during the quarter, ending with a relative low 12 days of supply.

The export market has been an increasingly important sector for U.S. market pulp producers. Market pulp exports accounted for 60% of total U.S. market pulp production in 1987, up from 55% in 1977. During this 10-year period some noticeable distribuional changes have occurred, but the overall ranking of the major export regions was not altered very much.

The charts below picture the distribution of wood pulp exports in 1977 and 1987. The major shifts were the increase of percentage of shipments to the Far East and Oceania and the declines in the percentages of Western Europe, Africa and the Middle East.

WOOD PULP EXPORTS

Percent Distribution of U.S. Exports by Major Area of Destination



Continued on page 12

COMMERCIAL PRINTING PAPER DEMAND

U.S. paper shipments to commercial printers rose at an average annual rate of 6.6% between 1981 and 1987, making commercial printing one of the paper industry's fastest growing end-use markets. As a result of that rapid growth, commercial printing's share of total U.S. printing-writing paper shipments expanded from 25.9% in 1981 to 28.8% last year. Recent performance patterns have also been strong. After sagging 2.2% in 1985, a decline that was largely as the result of inventory liquidation by printers, domestic paper shipments to commercial printers increased 5.4% in 1986 and nearly 11% last year. The rate of paper shipments to commercial printers remained near their late 1987 record highs during first quarter of this year.

Commercial printers produce a wide range of printed materials, but some 60% of their total output is advertising-related. Included in this category are catalogs, shopping flyers, newspaper inserts, and direct mail advertising. These advertising-related segments of the commercial printing market have grown rapidly during recent years. As can be seen from the chart on page 10, newspaper inserts and direct mail advertisements (defined here as all third class mail) expanded rapidly during the 1980's. Measured on a tonnage basis, direct mail volume rose at an average annual rate of 10.9% between 1981 and 1987, while newspaper inserts trended up 11.7% a year, to an estimated 1987 volume of 2.02 million tons. Inserts and direct mail advertising consumed in excess of 5.5 million tons of paper last year. However, not all of that tonnage was printing-writing papers. The newspaper inserts market, for example, is also served by newsprint.

As was noted in the March issue of this report, third class postage rates were increased by an average of 25% on April 3 of this year, a development that could temporarily slow the growth of direct mail advertising volume. On the other hand, 1988 is an presidential election and Olympics year and these events could serve to bolster advertising activity and thereby increase the demand for commercial printing.

Another important growth market for commercial printing papers has been legal and financial documents, which include annual reports, insurance and security documents, and various banking forms. According to the Department of Commerce, this segment's share of the commercial printing market rose from 4% in 1967 to approximately 8% at present.

Other miscellaneous products produced by commercial printers include calendars, tickets, maps and a wide miscellany of products too detailed to enumerate here. Total demand for these miscellaneous products generally moves in line with total economic activity.

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

APRIL 29, 1988

PRODUCTION (000 TONS)

	MARCH	FEBRUARY	MARCH	FIRST THREE MONTHS		% CHANGE YR TO DATE
	1988	1988	1987	1988	1987	1988/1987
PAPER GRADES						
Newsprint	510	479	475	1,487	1,406	5.8
Printing & Writing	1,942	1,759	1,729	5,526	5,028	9.9
Uncoated Groundwood (s)	142	125	138	396	398	-0.7
Coated Paper (s)	653	593	546	1,881	1,637	14.9
Uncoated Free Sheet Paper (s)	1,019	918	918	2,881	2,629	9.6
Thin Paper (s)	19	24	21	62	65	-4.6
Cotton Fiber Paper (s)	15	14	15	42	42	1.9
Bleached Bristols (s)	94	85	91	265	257	3.0
Tissue Paper	474	437	447	1,357	1,301	4.3
Total Pkg & Other Paper	454	435	448	1,329	1,326	0.2
Unbl. Kraft Paper (s)	262	255	274	780	815	-4.3
Other Paper	192	180	174	549	512	7.3
TOTAL PAPER	3,380	3,110	3,099	9,699	9,061	7.0
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,696	1,566	1,558	4,899	4,520	8.4
Unbleached Kraft Linerboard	1,575	1,465	1,440	4,567	4,205	8.6
Other Unbl. Kraft Paperboard	121	101	118	332	315	5.4
Semichemical Paperboard	492	454	492	1,435	1,413	1.6
Bleached Paperboard	388	370	391	1,134	1,116	1.6
Recycled Paperboard	774	718	734	2,241	2,119	5.8
TOTAL PAPERBOARD	3,349	3,108	3,175	9,708	9,169	5.9
TOTAL PAPER AND PAPERBOARD	6,730	6,218	6,273	19,407	18,229	6.5

PRODUCTION (000 TONS)

	FEBRUARY	JANUARY	FEBRUARY	FIRST TWO MONTHS		% CHANGE YR TO DATE
	1988	1988	1987	1988	1987	1988/1987
Dissolving & Special Alpha	116	98	98	215	207	3.9
Bleached Sulfite)	119	134	111	253	239	5.7
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2088	2256	1984	4344	4129	5.2
Unbleached Sulfate	1774	1896	1648	3670	3467	5.9
Semichemical	350	376	330	725	702	3.4
Groundwood & Thermomechanical	472	517	437	989	926	6.9
TOTAL PULP DIVISION DATA	4920	5276	4608	10196	9669	5.4

(s) - shipments
(p) - Preliminary

APRIL 29, 1988

	Full Year		INDUSTRY DATA 1987 - 1988 R		P	Ann. Rate Year - To - Date	% From Same Pd. Last Year
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	January	February	March	1988	
Total Production (API).....: excluding :...	70,885	74,498	6,460	6,218	6,730	77,628	6.5
Total Seasonally Adjusted....:construction:...			6,387	6,404	6,421	76,847	5.3
Imports (including Products).: and wet :..E	11,597	12,528	1,034	1,012	1,035	12,323	-0.7
Exports (including Products).: machine :..E	4,593	5,197	492	455	410	5,427	8.4
Apparent Consumption.....: grades :...	77,889 a	81,829 b	6,928	6,962	7,046	83,743 c	4.1
Paper Production % Tonnage Capacity.....	93.1 g	94.1	95.3	97.9	102.7	98.6	-
Paperboard Production % Tonnage Capacity.....	94.4 g	96.9	98.3	99.9	100.4	99.5	-
			December	January	February		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,028	1,056	1,032	12,527	-0.2
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	469	500	466	5,800	14.6
			December	January	February		
MARKET WOOD PULP PRODUCTION - Tons (000).....	7,514	8,128	723	722	687	8,458	11.7
TOTAL WOOD PULP PRODUCTION - Tons (000).....	57,017	59,564	5,160	5,276	4,920	61,175	5.4
WOOD PULP IMPORTS - TONS (000).....	4,582	4,850	415	390	429	4,912	-1.8
WOOD PULP EXPORTS - TONS (000).....	4,458	4,889	527	391	444	5,089	23.1
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			December	January	February		
Wood Pulp.....:consumption for:.....	57,872	59,488	5,119	5,231	4,927	60,944	4.4
Waste Paper.....:construction & :.....	17,236	18,348	1,490	1,567	1,504	18,430	5.4
TOTAL.....: WMB grades :.....	74,308	77,836	6,608	6,798	6,431	79,374	4.6
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	8,162	8,223	7,743	95,796	2.4
EMPLOYMENT (000)			January	February	March		
Paper and Allied Products.....Total.....	674.3	678.2	677.6	677.8	678.1	677.8	0.5
Pulp, Paper and Board Mills.....Total.....E	248.5	246.2	245.4	245.3	245.3	245.3	-0.6
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			January	February	March		
Paper and Allied Products.....	11.14	11.41	11.52	11.49	11.50	11.50	2.6
Pulp, Paper Mills.....E	13.58	14.00	14.01	14.07	14.12	14.07	2.4
Paperboard Mills.....E	14.01	14.26	14.27	14.09	14.18	14.18	1.5
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q3	1987 Q4	1988 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	8.92	8.84	10.02	10.26	11.29 Y	26.6
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			January	February	March		
:IN PULP, PAPER :...Production Workers.....	131.3	140.2	144.6	145.7	147.0	145.8	5.7
:AND BOARD MILLS:...All Employees.....	128.8	136.7	141.3	142.0	143.3	142.2	5.8
PAPER AND ALLIED PRODUCTS (Million $)			January	February	March		
Industry Shipments (Dept. of Commerce)*.....	103,916	118,855	10,777	10,627	10,748	128,608	14.1
Pulp, Paper and Paperboard*.....	44,033	51,518	4,951	4,854	4,726	58,124	19.4
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,391	11,501	11,448	11,448	5.6
Pulp, Paper and Paperboard*.....	4,115	4,266	4,245	4,347	4,295	4,295	2.9
			1987 Q2	1987 Q3	1987 Q4		
Sales (Corporations Only).....	74,844	86,603	21,553	22,367	22,742	N.A	N.A
Earnings (Corporations Only).....	3,288	4,989	1,206	1,433	1,354	N.A	N.A
Depreciation (Corporations Only).....	3,389	3,827	942	988	946	N.A	N.A
Net Worth (Corporations Only).....	31,221	35,162	32,843	33,843	35,162	N.A	N.A
PRICE INDEXES (Bureau of Labor Stats)1982=100			January	February	March		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	118.9	119.6	120.6	119.7	6.8
Wood Pulp.....	94.7	111.6	120.6	127.3	126.3	124.7	17.5
Waste Paper.....	142.6	181.5	193.1	189.0	190.5	190.9	13.8
Paper.....	107.0	111.5	118.1	118.7	119.7	118.8	7.9
Paperboard.....	106.5	118.1	122.7	122.8	127.1	124.2	8.0
PAPER DEMAND (INDEXED: 1977=100)			January	February	March		
Total Paper Production *.....	127.9	133.8	138.3	139.0	139.6	139.0	5.9
Paper New Supply *.....	133.6	140.6	144.0	143.2	144.7	144.0	4.1
Demand Indicators - (Weighted Average) *.....	146.7	154.4	159.9	161.0	161.4	160.8	6.9
Production of Nondurable Goods *...(21.2%).	130.1	136.8	141.9	141.8	141.9	141.9	6.6
Disposable Income .....*.(23.9%)	128.9	129.6	131.7	132.7	132.7	132.4	2.3
Total Printing and Publishing *...(54.9%).	160.9	172.0	179.2	180.7	181.4	180.4	8.6
Trend Factor	Not Available						
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	122.0	129.3	132.4	132.5	132.5	132.5	4.6
Production for Domestic Use	118.9	126.7	129.5	128.7	128.2	128.8	3.9
Demand Indicators - (Weighted Average) *.....	121.9	125.9	130.0	130.1	130.2	130.1	5.2
Production of Consumer Goods *...(62.06%)	124.1	127.7	131.4	131.9	131.9	131.7	4.4
Production of Equipment *...(5.75%) *	143.7	148.8	154.0	154.4	155.2	154.5	6.4
Production of Materials *...(32.19%)	113.8	118.3	123.0	122.4	122.6	122.7	6.7
Trend Factor	Not Available						
NEWSPRINT MARKETS			December	January	February		
Consumption by Publishers - Tons (000).....	13,158	13,583	1,157	1,056	1,063	12,712	6.0
Newspaper Pub. and Printing Empl. Total(000)...	461	462	470	467	467	467	2.1
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	154,317	155,639	13,448	9,787	13,772	141,356	12.0
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	40,521	47,238	4,194	3,946	4,165	48,666	16.4
Inventories (End of Period).	3,552	3,831	3,831	4,106	4,084	4,084	15.6
FIBRE BOX DATA (Fibre Box Association)			January	February	March		
Fibre Box Shipments (Million square feet).....	283,921	297,827	24,817	24,739	27,222	307,112	6.1
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,496	2,663	2,584	2,527	2,527	4.7
RETAIL TRADE (Billion $)			January	February	March		
Total Retail Sales *.....	1,437	1,509	128.8	129.6	130.7	1,556	6.7
Nondurable Goods Stores Sales *.....	899	951	80.1	79.9	80.8	963.1	3.4
GENERAL ECONOMIC DATA			January	February	March		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	134.4	134.4	134.6	134.5	6.0
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100)...	100.2	102.8	104.5	104.6	104.9	104.7	3.7
CONSUMER PRICES (ALL ITEMS) (INDEX 1982 = 100)...	109.6	113.6	115.7	116.0	116.5	116.1	4.0
			December	January	February		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	621	621.0	619.8	619.2	619.2	7.6
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q3	1987 Q4	1988 Q1		
G.N.P. or Expenditure - Current $.....	4,235	4,489	4,524	4,607	4,661	4,661	6.5
G.N.P. or Expenditure - 1982 $.....	3,713	3,821	3,836	3,881	3,903	3,903	3.5

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 645 + 18 = 663 241.6
.b - 671 + 17 = 688 243.8
.c - 683 + 17 = 700 244.7
.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
Q - Quarter

R - Revised
y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.